

June 3, 2015

The regular meeting of the New Richmond Utility Commission was held on June 3, 2015 at 3:30 p.m. at the Civic Center.

Jerry Frey called the meeting to order at 3:30 p.m.

Members Present: Jerry Frey, Gerry Warner, Bob Mullen, Dan Casey, and Pat Becker.

A motion was made by Pat Becker to approve the agenda, seconded by Gerry Warner, and carried.

A motion was made by Pat Becker to approve the minutes of the April 6, 2015 meeting, approve bills, and disbursements, seconded by Dan Casey, and carried.

Public Comment – None

2006 \$2,160,000 Electric Utility Revenue Bond Options – Sean Lentz from Ehlers & Associates gave a presentation on the call date of the 2006 \$2,160,000.00 Electric Utility Revenue Bond, and the options that will be available to New Richmond Utilities on October 1, 2015. Option 1: Proceed with refinancing of the 2006 Electric Bonds on a stand-alone basis (current refunding). Option 2: Plan on contributing excess Electric Utility funds to make annual prepayments on the existing debt (strategy would be to attempt to pay off the issue with annual contributions – maintain the existing prepayment flexibility). Option 3: Wait to proceed with any refinancing until the Electric Utility needs to borrow for new money projects. A motion was made by Pat Becker to proceed with Option 1, seconded by Dan Casey, and carried.

Wastewater Facility Planning Proposals – New Richmond Utilities received proposals from SEH and MSA for Wastewater Facility Planning. Representatives from both firms gave presentations of their proposals and answered questions from staff and the Commission. The Wastewater Facility Plan would be funded by MOU funds from the St. Croix Crossing project, as distributed by the STH 64 Corridor Communities Stormwater and Wastewater Coalition. A motion was made by Pat Becker to accept MSA's Wastewater Facility Plan proposal, seconded by Bob Mullen, and carried.

South Water Tower Reconditioning – Clean Water Fund Loan – Jeremiah Wendt presented a proposal from SEH to complete a funding application for a Safe Drinking Water Fund loan for a lump sum cost of \$12,000.00. This loan would reimburse the funds used for the reconditioning of the South Water Tower. The benefit of using the Safe Drinking Water Fund to finance the project is that the Utility can borrow this money at a subsidized interest rate (currently 1.65%) and use the cash on hand to finance upcoming capital improvement projects. A motion was made by Dan Casey to have SEH prepare a Safe Drinking Water loan application, seconded by Gerry Warner, and carried.

Department Reports:

Bob Meyer, Water Superintendent, gave the following report:

The flushing of mains is close to completion. Sewer jetting has begun. Greg Hermansen is staying busy doing locates. Bob is working with the Health Center as they redo some of their water lines. Cross connection inspections and meter updates are ongoing.

Steve Skinner, Lead Wastewater Treatment Plant Operator, gave the following report:

Steve is currently working on setting up a meeting in August to discuss long range planning for the Biosolids Facility. DNR is behind on some of its reports, giving an extension for completion of those reports. Dave Pufall continues to do an excellent job, and is going to be present at the next Utility Commission meeting.

Tom Rickard, Electric Superintendent, gave the following report:

Tom Rickard was not present at this meeting.

Jeremiah Wendt, Director of Public Works, gave the following report:

Jeremiah gave a brief update on the South Water Tower. Funds were received from Warren Wood for the New Richmond Tiger Logo. Due to containment issues (small fire and abrasive materials getting outside the containment center), the contractor was notified to stop working on the South Water Tower until those issues are resolved.

Nancy Petersen, Finance Director, gave the following report:

2014 Financials – Bev and I are almost complete in our review of the draft of the 2014 financials. We anticipate that final financials from Baker Tilly will be issued by the end of June.

Utility Office – We are very close to having all Sensus radio read meters converted to ITRON. Once this occurs we will be able to eliminate the Sensus handheld and software support. I will provide an update on this at a future meeting as to the details.

Electric and Water staff are continuing with the ITRON conversion project with a goal of project completion by Spring 2016 or earlier if possible.

The required annual Consumer Confidence Report is being included as a bill insert with the June 15 and 30 bills.

We have not had much time to work on the billing procedures manual.

Act 274 – Tariff Changes to Deferred Payment Agreements (DPA's) – On May 15 I received the Notice of Proceeding from the PSC and was contacted to set up the hearing date. The public hearing date is set for July 21, 2015 at 10:30 a.m. The Notice to Customers was published in the May 28 edition of the New Richmond News and will be sent along with the May 29 and June 15 bills as a bill insert as required by the PSC.

WPPI Rates Workshop – I attended a Rates Workshop at WPPI on May 14, 2015. The objectives of the training were to meet the staff at WPPI who work on the rates, achieve an understanding of rates and rate issues and to lay the groundwork for a rate structure target that WPPI and its members can approach over five or more years. There is a new environment with rates going forward, both for wholesale and retail rates that will be incorporated into future rate cases with the PSC.

WPPI Board Meeting – I attended the Board of Directors meeting on May 15 at WPPI as alternate for Mike. Most notable related to New Richmond was the update on the Community Solar Garden Pilot Projects. WPPI has been working with the PSC on the establishment of the tariff but has been getting some pushback from the PSC as PSC is concerned with other customers of New Richmond Utilities subsidizing the project. The PSC does not want any cross-subsidization and is requesting more detail from WPPI regarding this. WPPI is confident they will be able to work this out with the PSC. We are still planning on distributing some marketing materials along with the June 30 and July 15 utility bills (the other side will be the Customer Appreciation Picnic flyer).

Other Board meeting highlights:

- WPPI has been working on relationship building with the PSC as there has been a lot of staff changes
- WPPI is working on developing a wholesale growth (GR) (economic development) rate prior to the September board meeting
- Orientation to WPPI – June 2, 2015 – Noah Wiedenfeld attended
- Approved a 1.5% investment in Badger Coulee Transmission Project
- WPPI will be visiting New Richmond to discuss extending our long term power supply contract 20 years, from 2037 to 2057
- WPPI completed two market research studies:
 - Residential Customer Feedback Study, and
 - Large Business Gap & Priority Benchmark

- WPPI will identify and develop any action items needed for members to pursue over the next 1-2 years which may include:
 - Continue developing marketing strategies to further improve customer satisfaction
 - Focus communications on reliable energy, being trustworthy, providing excellent customer service, and delivering energy at the lowest cost feasible
 - Maintain efforts to increase awareness of utilities' websites

Weston Arndt, WPPI Energy Services Rep, gave the following report:
Wes was called away from the meeting early so there was no report given.

Mike Darrow, Utility Manager, gave the following report:

Mike announced that Noah Wiedenfeld is the Management Analysis Specialist. His duties will include working on Capital projects, analysis, grants, etc. Staff continues to move forward with the Solar Garden project, and are optimistic it will occur in 2015. We are currently waiting to receive a frequently asked questions sheet from WPPI on the Solar Garden project. This is to help with the marketing of the Solar Garden. Mike gave a brief update on benefits and sick time. The Finance Committee will be working internally on doing an actuarial review for those benefits. There will be an upcoming meeting with the Employee Handbook Committee to provide updates on comparables, to provide the status of where things are at in relation to sick time, and the impact it will have on employees over the next five years.

Communications and miscellaneous correspondence – None

There being no further business, a motion was made by Gerry Warner to adjourn, seconded by Dan Casey, and carried. The meeting adjourned at 5:10 p.m.

Jerry Frey, President

Bob Mullen, Secretary